Local Public Agencies

Reimbursement Procedures

Federal-Aid Projects

1. **INTRODUCTION**

   The following describes the procedures to be followed by an LPA on Federal-Aid projects to request reimbursement for eligible costs incurred by the LPA. It also provides guidance for processing professional services invoices. These procedures outlines the basic steps the LPA must follow to program a Federal-aid project, request authorization to incur reimbursable costs, the different types of agreements that may be executed during the life of a Federal-aid project and the process for requesting reimbursement to the LPA and payment to the contracted consultant for eligible costs incurred. These procedures are intended to provide additional guidance to the LPA Guidelines Manual for Federal-aid Projects, not to replace it.

2. **OnBase Invoice Workflow Application**

   Effective February 2, 2012, all reimbursement requests and invoices for LPA Federal-Aid projects will be imported, routed, and electronically approved thru the Nebraska Department of Roads' OnBase Invoice Workflow application. Additional information about the workflow, including a User Guide and training videos can be found at http://vimeo.com/album/1798952.

3. **COMMONLY USED ACRONYMS**

NDOR	Nebraska Department of Roads
LPA	Local Public Agency
RC	Local Public Agency Responsible Charge
LPA Manual	The NDOR LPA Guidelines Manual for Federal-Aid Projects
PE	Preliminary Engineering
CE	Construction Engineering
NDOR PC	NDOR Local Projects Section or Construction Division Project Coordinator
NTP	Notice to Proceed
SR	NDOR State (District) Representative
PPDD	NDOR Planning and Project Development Division, Agreements Section

4. **AGREEMENT, PRE-AUTHORIZATION AND NOTICE TO PROCEED (NTP)**

   The instructions in this section of the procedures are separated by type of agreement. It is the responsibility of the RC and Consultant to keep track of expenses. Reimbursements will be made up to the maximum that is federally authorized at the time the expenses were incurred. Work performed prior to receipt of the NTP is ineligible for Federal-aid reimbursement.

   A. **NDOR/LPA Program Agreement**

      For RC project setup and oversight services costs to be considered for reimbursement, the NDOR/LPA Program Agreement must identify these services and associated cost estimate. The estimated costs must be authorized in advance of providing any service.

Steps:

1. RC declares the intent to be reimbursed with Federal funds on the DR-530 Programming Request form by inserting an estimate in the Estimated Project Funding table. This estimate should cover all project costs from concept through construction. If there is no estimate for RC services on the DR-530, NDOR will assume that the LPA is not seeking Federal reimbursement for those expenses.

   If the DR-530 is approved by the NDOR PC[1], an NDOR/LPA Program Agreement is prepared by the NDOR PC and executed by the LPA and NDOR.

2. NDOR requests Federal funding obligation authority for a nominal amount of Federal funds for RC expenses during the consultant selection process. The intent is to minimize delay in getting a project started, i.e., a detailed estimate for RC services is not required at this point.

3. NDOR sends a NTP to the RC. The RC may then begin incurring reimbursable expenses for the consultant selection process. Work performed on the project prior to receipt of the NTP is ineligible for Federal-aid reimbursement.

4. RC submits a detailed cost estimate of direct costs to NDOR PC before conclusion of the consultant procurement process. A table showing estimated work-hours multiplied by the hourly rate and estimated mileage multiplied by the mileage rate will be sufficient unless otherwise notified. The table must include expenses for the consultant procurement process. Indirect costs, also referred to as overhead, may be reimbursable, but the intent to include them in the estimate for reimbursable RC costs must be approved in advance of the submission of the estimate.

5. NDOR PC requests obligation authority for these RC estimated costs. The intent is for this request to happen at the same time as the request for professional services, if the LPA is requesting reimbursement for such services also.

6. After Federal authorization is received, NDOR PC issues a formal NTP to the RC for approved expenses. Work performed on the project prior to receipt of the NTP is ineligible for Federal-aid reimbursement.

B. NDOR/LPA Professional Services Agreement

If an LPA intends to request reimbursement for engineering services *(PE and/or CE)* provided with its own forces, these services and associated cost estimates must be detailed in an *NDOR/LPA Engineering Agreement* in advance of performing work.

Steps:

1. RC submits an estimate of direct costs/expenses to NDOR PC along with a scope of services before performing the professional services work. A table showing estimated work-hours multiplied by the hourly rate and estimated mileage multiplied by the mileage rate will be sufficient unless otherwise notified. Indirect costs may be reimbursable, however including the indirect cost/expenses in this estimate must be approved by the NDOR PC prior to preparation of the estimate.

2. *NDOR/LPA Professional Services Agreement* is prepared by the NDOR PC and executed by the LPA and NDOR.

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[1] Completing and processing of the DR-530 is described in Chapter 2 of the LPA Manual

3. NDOR PC requests funding obligation authority from FHWA for LPA Professional Services expenses.

4. After Federal authorization is received, NDOR PC issues a formal NTP to the RC for approved expenses.

C. LPA/Consultant Professional Services Agreement

If a consultant is selected[2] to provide professional services *(PE and/or CE)* and the LPA desires to use Federal-aid for these services, an LPA/Consultant Professional Services Agreement must be executed, which details the services and negotiated costs.

Steps:

1. Upon selection and negotiation (in accordance with LPA Manual-Chapter 4), an LPA/Consultant Professional Services agreement is prepared by the NDOR PC and executed by the LPA and NDOR.

2. NDOR PC requests funding obligation authority from FHWA for these services.

3. After Federal authorization is received, NDOR PC issues a formal NTP to the RC for approved expenses. The RC, in turn, issues a NTP to the consultant.

D. Supplemental Agreements

For all of the above mentioned agreements; the following are the steps to follow if, during the project, the RC concludes that the LPA or Consultant work forces will incur eligible expenses beyond the authorized amount. If professional services are being performed by a Consultant, it is the responsibility of the Consultant to notify the RC, well in advance of the need, of the expected amount and justification for the additional expenses.

Steps:

1. RC gives notice and justification, well in advance of the need, of the additional expenses to the NDOR PC.

2. The NDOR PC will review, resolve any issues with the submitting RC and, if appropriate, approve and then obtain the necessary Federal funding obligation authority for incurring expenses beyond that amount previously Federally authorized.

3. Once Federal authorization has been obtained, a supplemental agreement detailing the additional services and associated costs is prepared by the NDOR PC and executed by the appropriate parties.

4. Upon execution of the agreement, the NDOR PC will issue a NTP to the RC authorizing the additional expenses. If appropriate the RC will issue a NTP to the consultant.

Expenses incurred on the project beyond the amount previously Federally authorized and prior to receipt of the NDOR's NTP is ineligible for reimbursement.

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[2] See the LPA Manual for guidance concerning the process for obtaining professional services.

5. REIMBURSEMENT REQUEST PROCEDURES

Provided below are the procedures that must be followed in order for the LPA to request reimbursement, or payment for the Consultant for professional services. Invoices and supporting documentation must be scanned and transmitted electronically in accordance with these procedures, unless otherwise approved.

The **Reimbursement Request or Invoice Package** must include the following three (3) documents, unless otherwise noted:

1. **INVOICE** – the invoice must include the following breakdown of costs[3] (RCs should refer to the RC Costs Policy for additional information):

    a. **For Lump Sum Agreements:**

    Total Costs multiplied by the percent work complete

    b. **For Actual Cost Agreements & Maximum Not to Exceed:**

        i.   Direct Labor Costs (hours worked multiplied by the actual labor rate)

        ii. Labor Fringe Benefits and/or if appropriate Indirect *(Overhead)* Costs

        iii. Fee For Profit (as negotiated in the professional services agreement)

        iv. Direct Non-Labor Costs

2. **NDOR COST BREAKDOWN** — NDOR form properly prepared, signed and dated.

    a. **For Lump Sum Agreements – use** DR-162

    b. **For Maximum Not to Exceed – use** DR-162A

    c. **For Lump Sum – use** DR-162B

3. **PROGRESS REPORT** – must include the following:

    a. A description of the work completed within current billing period

    b. A description of work anticipated for next billing period

    c. A list of information required from LPA and/or NDOR PC in order to complete the work for the next billing period and beyond

    d. A list of unresolved issues that will impeded the progress of the work

    e. The percent of authorized work completed

A. Request Reimbursement to LPA

➢ **LPA Pre-Construction Services** *(Project Setup/Oversight and PE)*

1. RC submits Reimbursement Request Package to NDOR PC via the OnBase Invoice Workflow application.

2. NDOR PC reviews, resolves any issues with the submitting LPA, upon approval, transmits the Reimbursement Request Package to PPDD via the OnBase Invoice Workflow application for processing.

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[3] See the LPA Manual for definitions of the following terms.

3. PPDD reviews, reconciles the amounts with the information submitted, resolves any issues, upon approval, transmits Reimbursement Request Package to NDOR Controller via the OnBase Invoice Workflow application for payment to LPA.

➢ **LPA Construction Services** *(Oversight or CE)*

1. RC submits Reimbursement Request Package to SR via the OnBase Invoice Workflow application.

2. SR reviews and, if approved, transmits the Reimbursement Request Package to PPDD via the OnBase Invoice Workflow application for processing.

3. PPDD reviews, resolves any issues with the appropriate NDOR PC, upon approval, transmits Reimbursement Request Package via the OnBase Invoice Workflow application to NDOR Controller for payment to LPA.

➢ **UTILITY Expenses Incurred by LPA**

1. RC submits Reimbursement Request Package to SR (Does not require a Cost Breakdown or Progress Report.)

2. SR reviews, resolves any issues with the submitting LPA, upon approval, transmits Reimbursement Request Package to NDOR PC for processing.

3. NDOR PC reviews, resolves any issues with the submitting LPA, upon approval, transmits Reimbursement Request Package with written approval to NDOR Controller for payment to LPA.

➢ **RAILROAD Expenses Incurred by LPA**

1. RC, submits Reimbursement Request Package to SR (does not require a Cost Breakdown form or Progress Report.)

2. The SR reviews and resolves any issues with the submitting LPA, upon approval, transmits Reimbursement Request Package with written approval to NDOR PC for processing.

3. NDOR PC reviews, resolves any issues with the submitting LPA, upon approval, transmits Reimbursement Request Package with written approval to NDOR Controller for payment to LPA.

➢ **ROW Expenses Incurred by LPA**

Processing of right-of-way incurred by the LPA varies from the previous procedures in that the Reimbursement Package documentation is different. For any tract included in the invoice package, the LPA shall include all the tract's total ROW costs.

1. RC prepares and submits LPA Right of Way Reimbursement Claim Form AP-23 and all supporting documentation to NDOR PC. *(Does not require a Cost Breakdown form or Progress Report.)*

2. NDOR PC reviews, reconciles the amounts with the information submitted, resolves any issues with the submitting LPA, and transmits the documentation and reconciled amounts to the LPA ROW Coordinator to be authorized for reimbursement.

3. LPA ROW Coordinator submits the approved amounts to NDOR Controller for payment to LPA.

B. Request Payment to Consultant

➢ Consultant PE Services

1. Consultant submits Invoice Package to RC via the OnBase Invoice Workflow application.

2. RC reviews, resolves any issues with the submitting firm, upon approval, transmits Invoice Package to NDOR PC via the OnBase Invoice Workflow application.

3. NDOR PC reviews, resolves any issues with the LPA, upon approval, transmits Invoice Package to PPDD via the OnBase Invoice Workflow application for processing.

4. PPDD reviews, reconciles the amounts with the information submitted, resolves issues, upon approval, transmits Invoice Package via the OnBase Invoice Workflow application to Controller for payment to Consultant.

➢ Consultant CE Services

1. Consultant submits Invoice Package to RC via the OnBase Invoice Workflow application.

2. RC reviews, resolves any issues with the submitting agency or firm, upon approval, transmits Invoice Package to SR via the OnBase Invoice Workflow application.

3. SR reviews, resolves any issues, upon approval transmits Invoice Package to PPDD via the OnBase Invoice Workflow application for processing.

4. PPDD reviews, reconciles the amounts with the information submitted, resolves any issues, upon approval, transmits Invoice Package via the OnBase Invoice Workflow application to Controller for payment to Consultant.

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